State of California **Employment Training Panel**

M e m o r a n d u m

		Date:	February 27, 2003
To:	Panel Members		
From:	Diana Torres, Manager Peter DeMauro, General Counsel	Analyst:	C. Robinson
Subject:	One-Step Agreement for **Plant Equipment, Inc.** (www. peinc.com)		

CONTRACTOR:

- Training Project Profile: Retraining: Companies with Out-of-State Competition
- Legislative Priorities: Promotion of California's Manufacturing Workforce
Stimulating Exports/Imports
- Type of Industry: Manufacturing
- Repeat Contractor: No
- Contractor's Full Time Employees:
  - Company Wide: 183
  - In California: 150
- Fringe Benefits: Yes
- Union Representation: No
- Name and Local Number of Union representing workers to be Trained: N/A

CONTRACT:

- Program Costs: $51,252
- Substantial Contribution: $0
- Total ETP Funding: $51,252
- In-Kind Contribution: $90,000
- Reimbursement Method: Fixed Fee
- County (ies) Served: Riverside
- Duration of Agreement: 24 Months

SUBCONTRACTORS: University of California - Riverside, California, $10,100 for Class/lab training in Advanced Technology Computer Skills.

THIRD PARTY SERVICES: The Applicant states that consultant services have not and will not be used.

NARRATIVE:

Under Title 22, California Code of Regulations (22 CCR) Section 4416(b), Plant Equipment has been deemed as eligible for ETP funding as an industrially classified manufacturer retraining current employees in competition with other manufacturers located outside of California.

Plant Equipment, Inc., (PEI) is a privately held corporation that develops and manufactures telecommunication systems for the public safety 9-1-1 emergency call market. PEI's products are assembled, tested and shipped from its headquarters located in Temecula, California, the site of the proposed training. It has evolved from a small hardware manufacturer to a high-tech, process-driven, software development manufacturer. PEI's major customers are located throughout the United States and include Verizon, Motorola and Quest located in New York, Illinois and Colorado respectively. The company's major competition includes 911 inc., Zetron and CML correspondingly located in Colorado, Washington and Canada. PEI is currently both ISO Certified and a Microsoft Certified Partner to ensure that internal processes are followed to insure the development of high quality products.

In recent years, PEI has experienced increased pressure from its market competitors who are continuously creating technologically advanced products. Current company products offered to customers include "turn key, out-of-the-box" solutions. However, PEI is in the process of introducing new products to meet the needs of its customers. To remain in the forefront of the public safety industry, PEI must implement company-wide goals of generating state-of-the-art technology while improving its existing business tools to increase productivity and services. To accomplish its goals, PEI has assessed the product needs of small to mid-size 9-1-1 calls centers that do not have the funds to purchase the company's more costly systems designed for large call centers.

To meet the financial and operational needs of smaller 9-1-1 call centers, PEI has designed and introduced its Pallas product. Pallas differs from products traditionally offered by the company in that it integrates PEI's current Vesta product, a Graphical User Interface (GUI) used in many call-center environments to transfer the 9-1-1 call through the telephone system to the appropriate party, with the new generation digital telecommunications Pallas product. Pallas combines 9-1-1 call taking capabilities with administrative phone taking capabilities. It provides a migration path for voice and data communications using digital, Internet Protocol (IP) solutions and interfaces with a third-party Business Communication Manager (BCM) switch. The BCM switch provides a fully featured digital Private Branch Exchange (PBX) system and allows for 9-1-1 calls to be processed over the Internet rather than through the phone lines. Also, the size of a Pallas system is significantly smaller than a Vesta system and can fit into the size of an average closet, rather than taking up a significant portion of available Call Center space.

NARRATIVE: (continued)

In conjunction with the introduction of Pallas, PEI has also updated its Customer Resource Management (CRM) program. PEI currently uses the CRM 8.4 Suite version and will upgrade to the 8.8 Suite that will provide better stability of the program and enhance performance usability and functionality. Suite 8.8 will provide less program down time and faster response time to users with additional features including better screen layouts which allow users to access information through fewer layers and computer "clicks". The updated CRM will allow the company to effectively respond to customers and react to changing market conditions quickly. The upgrade will also give customers access to their own cases for status and troubleshooting. Customers will receive e-mail notifications with product and marketing campaign information.

Currently, PEI's employees are not familiar with the new Pallas product in terms of how it operates, integrates with the company's Vesta product and interfaces with a third-party BCM switch. Employees are deficient in product training regarding Pallas's features including the aforementioned Vespa integration and BCM interfacing capabilities. They also lack knowledge regarding Pallas operations, installation and maintenance. In addition, employees do not possess the advanced computer skills needed to facilitate the implementation of a new computer language that will be used in the development of future PEI products. Finally, PEI employees lack training in a new customer resource management computer software program that PEI will be implementing to meet its objective of improved customer service.

To initiate the company-wide changes needed to address these inadequacies, PEI recently conducted an extensive employee training needs assessment. The assessment examined the company's current products and services and compared them with those offered by its competitors. The assessment results indicated that the major areas of need were: detailed product information training, skills in an advanced computer language, and computer skills in customer resource management to increase PEI's efficiency, lower production costs and improve customer service. To meet the company-wide goals of increased efficiency, productivity and service, PEI has developed a comprehensive training plan to train 61 of its 150 employees located in Temecula, California. Those employees included in the training plan include eight Managers/Supervisors and 53 Engineering, Production, Technical, Training, Administrative, Software Development, Systems, Database and Sales staff. This plan includes a Menu Curriculum with 40 to 84 hours of Class/lab training consisting of the following:

Business Skills:

A total of 51 retrainees included in the training plan will receive Product Knowledge training to ensure that they learn the installation and maintenance features of the new Pallas product. In addition, they will learn how to interface Pallas with other companies' peripheral equipment and will be able to configure or trouble shoot optional features available such as pagers and fax machines. With this training, retrainees will be able to provide customers with a demonstration of the product settings, templates, various directory numbers, codes, modem, maintenance and other features. PEI states that understanding these concepts is necessary to improve PEI's market share by increasing employee product knowledge, productivity and customer service satisfaction.

NARRATIVE: (continued)

Computer Skills

PEI has identified 21 retrainees in the training plan who need Customer Resource Management (CRM) software training for the company's new "People-Soft" computer system. Once employees are trained, to use this software, PEI expects to reduce costs and increase productivity by directly connecting customers, suppliers, partners, and employees to business processes online, in real-time over the internet which is viewable from multiple sites.

Computer Skills - Advanced Technology

PEI is requesting funding for a portion of its Computer Skills cost training under the Advanced Technology Fixed-Fee cost reimbursement rate of $20 per hour. The movement toward development of highly advanced, customized and sophisticated new products requires PEI software developers to gain new computer language skills in order to enhance the company's market share. The proposed Computer Skills training in C Sharp (C#) development language is highly complex. Currently, PEI's Information Technology staff does not possess these technical skills. The Advanced Technology training requested by PEI requires small classes of fewer than 10 retrainees. Ten Software Developers, Technical and Engineering Staff will receive 48 hours of Advanced Technical Computer Skills training. PEI states that the required training costs approximately $21 per hour per trainee. Therefore, PEI is requesting an ETP reimbursement of $20 for this training per Class/lab hour for 10 retrainees versus the normal $13 per hour reimbursement rate.

Supplemental Nature of Training

Over the past year, $30,000 was spent on informal training in company orientation, safety practices, customer service, finance, forklift operations, human resources, information technology, International Organization for Standards (ISO) processes, programming, project management, sales, supervision and technical writing. PEI also assists employees in the pursuit of professional licenses or certifications by financing various seminars, classes, conferences, and on-line training and by supplying job-related periodicals and professional organization memberships.

The proposed training is different from any training provided in the past in that the proposed training encompasses formal Business, Computer and Advanced Technology Computer Skills training focused to meet the company' stated goals of generating state-of-the-art technology while improving its existing business tools to increase productivity and services. The training proposed for this ETP Agreement is new training never before offered to these employees. PEI has certified in writing that all of the proposed formal training is supplemental to training the company provides in the normal course of its business and would not occur in the form and manner described in the application without funds from the Employment Training Panel. Following the term of the proposed training plan PEI has committed to providing ongoing training opportunities and educational assistance support benefits as needed for each of its 150 employees located in California.

In-Kind Contribution

Company representatives have certified that the company will invest $ 90,000 for wages paid to retrainees during training.

COMMENTS:

Of the 61 proposed retrainees, 53 (87 percent) meet CCR 4400 (ee) (1) and (3)'s definition of a frontline worker. The remaining 8 (13 percent) are Managers or Supervisors.

Senior Policy Managers/Executive Level - Managers

The proposed Contractor certifies that no senior policy manager or executive level employees have been included in this training project.

PROPOSED ACTION:

Staff recommends that the Panel approve this proposal if funds are available and the project meets Panel priorities based upon PEI's stated need to provide employees with skills to enhance the company's ability to stay competitive, grow, and remain viable in the California economy.

TRAINING PLAN:

Grp/Trainee Type	Types of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	No. SOST Hrs.	Cost per Trainee	Hourly Wage after 90 days
Job Numbers 1 – 4 Retrainees	MENU Business Skills, Computer Skills	51	40 - 84	N/A	N/A	$520 - $1,092	$12.48 - $44.54
Job 5 Retrainees	Advanced Technology Skills	10	48	N/A	N/A	$960	$21.60 - $43.27

Range of Hourly Wages

$12.48 - $44.54

Prevalent Hourly Wage

$ 28.18

Average Cost per Trainee

$ 840

Health Benefit used to meet ETP minimum wage:	**Turnover Rate**	**% of Mgrs & Supervisors to be trained:**
N/A	19.7 %	13%

Plant Equipment, Inc.

MENU CURRICULUM

Class/lab Hours

Job 1 - 40
Job 2 - 44
Job 3 - 80
Job 4 - 84

Trainees will receive training in one or more of the following topics:

Business Skills

VESTA Pallas Installation, Features and Maintenance

- Configure VESTA Pallas software as an Administrator
- Install and configure VESTA Pallas Software on a server to work and interface with the new BCM (Business Communication Manager) PBX (Private Branch Exchange)
- Install and configure VESTA Pallas Software on workstations
- Troubleshoot VESTA Pallas Server, workstations and network
- Install, configure and program the new MTU (Multi line Trunk Unit)
- Troubleshoot and replace MTU Power Supply, CPU (Computer Processing Unit) and CAMA (Centralized Automatic Message Accounting cards)
- Configure and trouble shoot enhanced ALI (Automatic Location Identification Server) options
- Rebuild Server and workstations using CPR (Critical Product Restoration) software
- Perform Backup and Restore functions
- Overview of Pallas components
- Settings on bay modules
- Start up
- Regional settings, templates, and various start DN's (Directory Numbers)
- Program feature codes, system features, time and date, etc.
- Program various scenarios
- Modem and LAN (Local Area Network) scenarios
- Maintenance

Computer Skills

Customer Resource Management (CRM) Program

- Features of PeopleSoft CRM Suite 8.8
- 8.8 Support business flow
- 8.8 Administative Set-up
- CRM Call Center Workflow

Advanced Technology Training

Class/lab Hours

Job 5 - 48

Trainees will receive training in one or more of the following topics:

Computer Skills C# Programming

- Configure & use Visual Studio.NET
- Program with C#
- Implement method classes, objects, inheritance, & polymorphism
- Understand operator overloading, struts & interfaces, arrays, & exception handling
- Debug C# applications within the .NET framework
- Create feature-rich Windows-based C# applications
- Experiment with advanced features of C#